

September 12, 2013 7:34 pm

Swiss authorities search Steinmetz's Geneva home in corruption probe

By Tom Burgis and Cynthia O'Murchu in London



Israeli tycoon Beny Steinmetz

Swiss authorities have searched Beny Steinmetz's Geneva home as a corruption investigation that began on a remote African mountainside reached the doorstep of the billionaire Israeli mining tycoon.

Investigators in Switzerland visited Mr Steinmetz's flat after what BSG Resources, part of his family conglomerate, said was an invitation from the mining magnate for them to do so. They took

nothing away with them, BSGR said.

The Swiss investigation was triggered by a request for assistance from Guinea, which has made allegations of bribery over BSGR's acquisition of rights to part of the world-class Simandou iron ore deposit in 2008.

Guernsey-registered BSGR denies any wrongdoing and claims it is the victim of a conspiracy led by the Guinean government and its allies, and designed to strip it of its rights to Simandou.

In April 2010, BSGR subsequently sold a 51 per cent stake in its Guinean assets to [Vale of Brazil](#) for \$2.5bn – a spectacular return on an investment of \$160m but a transaction that has come back to haunt the group.

In a statement issued by representatives of BSGR, Marc Bonnant, Mr Steinmetz's lawyer, said: "Mr Steinmetz offered to collaborate with the Swiss authorities, is co-operating fully, and is very happy to do so."

The prosecutors' move marks the first time Mr Steinmetz has become personally entangled in an investigation into a company that bears his initials and of which his family is the beneficiary but in which his formal role is solely as an adviser.

BSGR denied that the police raided Mr Steinmetz's flat, as reported by Bloomberg, saying

instead that the visit had been scheduled. It took place late last month, at the same time as police seized documents from the Swiss offices of Onyx Financial Advisors, a company linked to BSGR.

The police and prosecutor's office in Geneva declined to comment, as did the Swiss attorney-general.

The Guinea government of Alpha Condé launched the investigation into BSGR's activities under previous regimes shortly after taking office in December 2010.

In April, FBI agents in Florida arrested Frederic Cilins, a Frenchman who worked with BSGR in Guinea, and charged him with trying to destroy evidence relating to a US probe into corruption in the African nation.

The evidence in question was contracts purporting to detail a bribery scheme between BSGR representatives and the wife of the Guinean president at the time the company acquired its rights, the late Lansana Conté.

Mr Cilins has claimed that the documents are forgeries. The head of the Guinean committee heading the investigation wrote to the BSG Resources-Vale local joint venture in May saying his government had the originals of the contracts and that their authenticity has been confirmed by witnesses during depositions.